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12 September 1952

SECOND DRAFT - MEMORANDUM FOR DCI (for Board consideration)

SUBJECT: The Egyptian Situation

1. The situation in Egypt is still so fluid that it is impossible to give a confident estimate on the two most crucial questions: (a) whether Nagib and his more moderate associates can retain leadership of the Junta and the government while accepting support from extremist elements; and (b) whether Nagib and his associates have the ability and the ruthlessness to cope with the counterattack to be expected from the Wafd Party and other groups alienated by Junta policies. On balance we believe that Nagib and the Junta can meet both tests successfully, but the estimate must be regarded as speculative.

2. The ousting of Ali Maher and the suppression of political parties open the way for Nagib and the Junta to proceed with their extensive programs of reform. In this undertaking they will face many difficulties, for it is almost certain that they have promised more than they can give. Any reform program, however, is likely to have a favorable psychological effect and win widespread support for the government.

3. The greatest weakness of the Nagib government, providing that it stays in power at all, will probably be its lack of experience in politics and civil administration. This weakness will be aggravated by the hostility of former high office-holders who have been ousted or arrested, but it may be somewhat offset by the enthusiastic support of younger members of the bureaucracy and professions. We believe that Nagib can provide a government at least equal administratively to the low standard to which Egypt has been accustomed.

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4. In foreign affairs a Nagib government will probably:
- a. Relax the anti-Western line of previous governments and seek a general working alliance with the US.
 - b. Assume a cooperative attitude toward MEDO and seek military aid from the US.
 - c. Postpone the Suez and Sudan issues while concentrating on internal affairs.

5. A collapse of the Nagib regime would probably be followed by a return of the Wafd Party to power.

[We are unable to estimate the consequences of a collapse of the Nagib regime.]